



## **NEW ZEALAND**

### **Additional information on progress in implementing decision 1/CP.21, section IV: enhanced action prior to 2020**

**May 2018**

#### **Context**

New Zealand is pleased to make this submission in response to paragraph 14 of Decision 1/CP.23 inviting Parties to submit additional information on progress in implementing Decision 1/CP.21, section IV: enhanced action prior to 2020. New Zealand is committed to playing a leadership role in the global response to climate change and transitioning to a low-carbon and climate-resilient economy and welcomes this further opportunity to submit additional information on enhanced action prior to 2020.

2 New Zealand has an export-dependent economy, with a significant reliance on the agriculture sector. Located in the South Pacific, the country is distant from the majority of its trading partners. New Zealand's long and mountainous geography and population distribution have contributed to a dependence on fossil fuel-powered transport. New Zealand has a long history of renewable energy development, with more than 80 percent of New Zealand's electricity generated using renewable resources. New Zealand's emissions are dominated by the energy (including transport) and agriculture sectors, which together comprise approximately 88 per cent of gross emissions.

3 New Zealand aims to be a global leader on climate change and is committed to ambitious action at home and abroad. We recognise the pre-2020/post-2020 split is an artefact of the UNFCCC negotiation process. Ambitious future objectives require action now; which enable the setting and achievement of more ambitious goals in the future. Pre-2020 action is yielding tangible results (e.g. new renewable energy supply) and long-term climate benefits (e.g. avoided emissions, resilient infrastructure). The benefits of this pre-2020 action will extend beyond 2020, and lay the foundation for New Zealand's implementation of the Paris Agreement and nationally determined contributions (NDCs) thereunder.

#### **Pre-2020 targets and action**

4 New Zealand supports the fulfilment of Parties' pre-2020 commitments, and will meet its own. New Zealand met its first commitment period target under the Kyoto Protocol and on 30 November 2015 ratified the Doha Amendment to the Kyoto Protocol. New Zealand is on track to meet its 2020 target to reduce emissions to 5% below 1990 by 2020.

5 New Zealand was also one of the first countries to ratify the Paris Agreement, doing so on 4 October 2015. Significant domestic policy action has been under way since to enable New Zealand to achieve the target communicated in its first NDC (to reduce emissions to 30% below 2005 levels by 2030).

6 In addition to contributing to several collaborative initiatives to enhance collective mitigation efforts and build resilience (see below), New Zealand is an advocate for and active participant in UNFCCC efforts to enhance pre-2020 implementation. These include the Technical Examination Processes for Mitigation and Adaptation and the Marrakech Partnership for Global Climate Action – which promote opportunities for pre-2020 actions with high mitigation and adaptation potential to both Parties and non-Party actors.

### **Monitoring, reporting and verification**

7 New Zealand has been a strong advocate of the UNFCCC's monitoring, reporting and verification (MRV) systems as a way of sharing information, experiences and empowering pre-2020 action and implementation by all Parties. We have delivered on all our national reporting requirements and have been engaged participants in the International Assessment and Review and International Consultation and Analysis Processes, respected for the quality of our reporting and for the technical experts we provide to support the MRV process.

8 We continue to be impressed with the number of positive experiences shared during the facilitative sharing of views workshops by Parties who had used the support available through the Global Environment Facility for the preparation of National Communications and Biennial Update Reports. We encourage more Parties to take advantage of this support to help provide a more complete global picture of the climate change challenge and accelerating climate ambition, as well as generate data and build capability that is useful for broader economic and development planning purposes.

9 New Zealand's Seventh National Communication<sup>1</sup> and Third Biennial Report<sup>2</sup> provide a recent account of our progress towards meeting our commitments under the United Nations Framework Convention on Climate Change and implementing the Kyoto Protocol. They report on, inter alia, emissions, policies and measures, impacts and adaptation, and support for developing countries.

### **Enhanced domestic action**

10 We recognise that policy settings established pre-2020 will be essential in achieving the success of both pre and post-2020 targets and goals. The New Zealand Emissions Trading Scheme (NZ ETS) has been operating since 2008. It was established to assist New Zealand to reduce emissions and to meet its international emissions reduction commitments. We have made a number of changes to the scheme since its inception to improve its function and allow it to better contribute to meeting New Zealand's pre-2020 targets. We are now working on changes to the NZ ETS to ensure that it remains fit for purpose and can help New Zealand to transition its economy and meet future emission reduction targets. We are also forging ahead with plans to complement this mechanism with a number of other domestic policy initiatives.

11 New Zealand will introduce a Zero Carbon Bill this year to put the country on a path towards a low emissions and climate resilient future. The legislation is intended to

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<sup>1</sup> <http://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/21-12-17%20Web%20FINAL%20-%20Seventh%20National%20Communication%202017.pdf>

<sup>2</sup> <http://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/Final%20-Third%20Biennial%20Report.pdf>

set a new 2050 emissions reduction target, and establish carbon budgets and an independent Climate Change Commission to keep New Zealand on track to meet our climate change goals. In setting the new 2050 target, we are mindful of our collective Paris Agreement commitment to hold the increase in global average temperature to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, as well as other Paris Agreement obligations.

12 Alongside the Zero Carbon Bill, work is under way to consider long-term low emission pathways for New Zealand and how to manage the transition to a low emissions economy equitably. As an initial step, the Government has announced it will end the granting of permits for new offshore oil and gas exploration in New Zealand. The decision protects existing permits but sends early signals to industry that New Zealand is moving away from fossil fuels. This strikes a balance between safeguarding existing jobs, informing future investment decisions, and ensuring a measured and planned transition to realise the new opportunities created by a clean energy future. Collaboration and partnership with communities and industry will be essential to accelerate New Zealand's collective planning for a just transition to achieve a productive, sustainable and inclusive economy.

13 At the same as determining our long-term pathway, we remain focused on identifying and taking action to manage emissions in the near term. In addition to a raft of policy measures aimed at increasing the uptake of electric vehicles in New Zealand, we have set a target of increasing the share of electricity generated using renewable resources to 90 per cent by 2025. The Government has committed to asking the Climate Change Commission (once established) to consider a possible transition towards a 100 per cent share by 2035. In the land-use sector, alongside continuing efforts in research and development of economically viable opportunities to reduce emissions from agriculture, New Zealand will plant one billion trees between 2018 and 2026. These are examples of setting long-term goals supported by action now in the key emitting sectors for New Zealand.

### **Climate-related support**

14 In 2010 developed country Parties agreed a goal of collectively mobilising \$100 billion per year by 2020 from a variety of sources, in the context of meaningful mitigation actions and transparency on implementation by developing countries. New Zealand remains committed to this goal and is delivering on its pledge to provide NZ\$200 million of climate-related support over four years (2015-2019). The majority of that support is benefitting the Pacific – building stronger and more resilient infrastructure, strengthening disaster preparedness, and supporting low-carbon economic growth, including by improving access to clean and affordable energy. In addition to support for our bilateral partners, New Zealand has also provided NZ\$7.5 million for the Tokelau Renewable Energy Project, as a result of which solar photovoltaics power generation is meeting almost 100% of Tokelau's electricity needs.<sup>3</sup>

15 We also support multilateral finance mechanisms: New Zealand contributed to the Initial Resource Mobilisation of the Green Climate Fund (GCF). We pledged a total

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<sup>3</sup> Tokelau is a dependent territory of New Zealand in the southern Pacific Ocean; support for Tokelau is not considered bilateral assistance.

contribution of NZ\$12 million to the GEF-7 replenishment, which represents a significant increase in our engagement with the Global Environment Facility and acknowledges, amongst other things, the importance of the Capacity Building Initiative on Transparency in supporting developing country reporting under the Paris Agreement. We are also providing significant contributions to multilateral agencies with a strategic focus on climate change (e.g. the World Bank, Asian Development Bank, UNDP).

16 We are also committed to being as transparent as possible about how we are delivering pre-2020 support. We meet our reporting obligations under the Convention, and New Zealand's Third Biennial Report contains full details of our climate-related support for developing countries across 2013-2016, showing a total contribution of approximately NZ\$239.08 million over those years, an increase of approximately NZ\$47.09 million compared with the previous reporting period.

17 Looking forward, the New Zealand Government has confirmed in its 2018 Budget a significant increase in the country's Official Development Assistance Budget over the coming four years. A major focus for this new funding will be to help Pacific countries to reduce their vulnerability to the impacts of climate change and to build climate resilience, as well as to meet their emissions targets.

### **International collaboration**

18 In conjunction with an ambitious domestic policy agenda, New Zealand is committed to driving collaboration with others. As a small country, we prioritise leading in initiatives which can make a contribution to global emission reductions at scale. We seek to leverage our domestic experience, natural advantages, and existing relationships. Examples include collaboration on reducing agricultural emissions, promoting fossil fuel subsidy reform and in promoting environmental integrity for carbon markets.

19 We have identified pre-2020 reform of fossil fuel subsidies as a critical enabler of enhanced mitigation. Every year governments spend more than US\$425 billion to subsidise fossil fuels globally, four times the amount spent on renewable energy. The significant domestic resources saved from fossil fuel subsidy reform can be effectively re-directed towards other objectives, including supporting national actions and commitments under the Convention, Kyoto Protocol and Paris Agreement. New Zealand is a founding member of the Friends of Fossil Fuel Subsidy Reform<sup>4</sup>, established in 2010 to advocate for phasing out fossil fuel subsidies as soon as possible. We will continue to draw attention to the environmental, developmental and economic benefits that successful fossil fuel subsidy reform can drive – for example, at COP24 in Poland this year.

20 New Zealand is part of a number of groups and initiatives that serve to support enhanced pre-2020 action. These include the High Ambition Coalition, Friends of Action, the Powering Past Coal Alliance, and jointly (with the Marshall Islands) champions the Towards Carbon Neutrality Coalition, currently comprising 12 countries and 16 cities. This high degree of engagement with international partners allows us to more effectively communicate and disseminate the global benefits of initiatives we lead – for example enhancing action in agriculture.

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<sup>4</sup> Members of FFSR include Costa Rica, Denmark, Ethiopia, Finland, New Zealand, Norway, Sweden, Switzerland and Uruguay.

## **Example – enhancing action in agriculture**

21 Agriculture is economically important for New Zealand, with agricultural exports accounting for over half of the total value of New Zealand's goods exported in 2016. High levels of agricultural activity mean almost half of New Zealand's gross greenhouse gas emissions come from agriculture, compared with an average of 12% in other developed countries. These emissions are predominantly methane from ruminant digestion (enteric fermentation) and nitrous oxide from agricultural soils. Globally, agricultural emissions currently account for 12-14 percent of total greenhouse gas (GHG) emissions, and are projected to constitute the largest sector of surplus emissions as countries endeavour to meet the dual imperatives of avoiding the worsening impacts of climate change and producing enough food to feed a growing global population. Currently there are few economically viable options for reducing absolute greenhouse gas emissions from agriculture.

22 Since 1990, New Zealand pastoral farmers have been world leading in consistently making production efficiency improvements through innovations in feed and nutrition, animal genetics, pasture management and animal health. Without these improvements, agricultural emissions in New Zealand would have increased by almost 40 per cent to produce the same amount of food. New Zealand has made consistent and significant investments in research and development to improve the measurement and mitigation of agricultural emissions, as well as cutting-edge technologies and practices to reduce GHG emissions. The New Zealand Government is also committed to working with the agriculture sector to build an evidence base for what mitigation is possible.

23 New Zealand uses its expertise and experience, and works with others, to grow understanding of the role agriculture can play in the transition to a low emissions future. New Zealand established the Global Research Alliance on Agricultural Greenhouse Gases (GRA)<sup>5</sup> in 2009, which now has 50 member countries and 17 partner organisations. Through the GRA, New Zealand has invested NZ\$65 million to lead international efforts in developing and transferring best practices that address agricultural mitigation challenges and improve farm productivity. This research is beginning to show promising results that will have global application. New Zealand is a strong supporter of building capability in developing countries through the GRA by funding training for countries wishing to improve their agriculture GHG inventories. New Zealand is also an active member of the Climate and Clean Air Coalition (CCAC), which acts to reduce short-lived climate pollutants before 2020. New Zealand played a leading role in including high-level commitments to reduce emissions from livestock, paddy rice and open burning in the 2017 CCAC High Level Assembly Joint Communiqué and has assumed a co-chair role of the Agriculture Initiative in order to progress this work.

## **Conclusion**

24 New Zealand encourages the fulfilment of all pre-2020 commitments and pledges made by Parties, and will meet its own. We look forward to constructively engaging on the stock-take on pre-2020 implementation and ambition at COP24, by highlighting the considerable pre-2020 efforts by Parties and non-Party stakeholders to enhance ambitious climate action now and into the future.

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<sup>5</sup> [www.globalresearchalliance.org](http://www.globalresearchalliance.org)